CANUCK LAW

Reporting That You're Not Getting Elsewhere (Do Your Own Research To Verify)

JUNE 16, 2021 BY RONNIE

Remittances Remain High, Even As Unemployment Rates Soared In 2020

00:00 04:46

THE WORLD BANK

WHO WE ARE | WHAT WE DO | WHERE WE WORK | UNDERSTANDING POVERTY | WORK WITH US | COVID-19

Who We Are / News

This page in: English | Español | Français | العربية | Русский | Tiếng Việt

PRESS RELEASE | APRIL 22, 2020

World Bank Predicts Sharpest Decline of Remittances in Recent History

WASHINGTON, April 22, 2020 — Global remittances are projected to decline sharply by about 20 percent in 2020 due to the economic crisis induced by the COVID-19 pandemic and shutdown. The projected fall, which would be the sharpest decline in recent history, is largely due to a fall in the wages and employment of migrant workers, who tend to be more vulnerable to loss of employment and wages during an economic crisis in a host country. Remittances to low and middle-income countries (LMICs) are projected to fall by 19.7 percent to $445 billion, representing a loss of a crucial financing

RELATED

WORLD BANK

Migration and Development Brief 3

COVID-19 Crisis through a Migratio

Lens

Key Findings

Social Protection and Covid-19

Apparently it's the International Day for Family Remittances. Despite dire predictions in early 2020 by the World Bank and others, this didn't actually materialize. The total drop was almost insignificant.

> Despite COVID-19, remittance flows remained resilient in 2020, registering a smaller decline than previously projected. Officially recorded remittance flows to low- and middle-income countries reached ***$540 billion in 2020, just 1.6 percent below the 2019 total of $548 billion***.

Rather interesting: even as the West experienced record level unemployment rates, the drop in remittances sent abroad was almost negligible. If all these jobs were disappearing, where exactly was the money coming from? A huge drop in 2020 was predicted by the World Bank, but did not materialize.

Year	Total ($B)	To 1st World	To 3rd World	Diff.
2013	$581B	$177B	$404B	$227B
2014	$592B	$162B	$430B	$268B
2015	$582B	$142B	$440B	$298B
2016	$573B	$144B	$429B	$285B

2017	$613B	$147B	$466B	$319B
2018	$689B	$161B	$528B	$367B
2019	$706B	$158B	$548B	$390B
2020	$702B	$162B	$540B	$378B

According to the World Bank: “With global growth expected to rebound further in 2021 and 2022, remittance flows to low- and middle-income countries are expected to increase by 2.6 percent to US$553 billion in 2021 and by 2.2 percent to US$565 billion in 2022.”

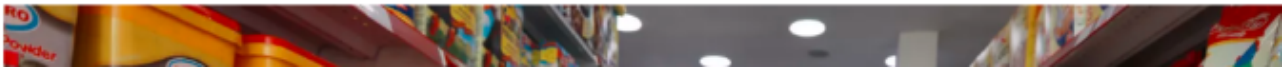
The World Economic Forum estimated about $714B in global remittances in 2019, while the World Bank claimed $706 billion. Note: these estimates are often updated.

00:00 01:39

WORLD ECONOMIC FORUM Agenda Platforms Reports Events Videos English

Global Agenda | The Davos Agenda 2021 | Fairer Economies | Better Business

Remittances are key to the recovery in developing countries



These ***global citizens are the world's "Economic First Responders".*** The money they send across the world's borders have helped smooth the economic shocks from the pandemic, fostering stronger resilience and recovery in their home nations throughout 2020, and into 2021 and beyond, than would have been the case without these flows.

They provide an ***essential lifeline to their home communities by funding spending on essentials, lowering extreme poverty and supporting healthcare and education***. They serve on the front lines within their host communities as medics, scientists, grocers, bus drivers, construction workers, teachers, and contribute human capital towards the functioning of a robust economy.

These actions, during an unprecedented global pandemic, serve to shine an even bigger spotlight on ***the criticality of remittances and those who send them. They are the resilient and inclusive global economic force. Policymakers, development experts and economists must give cross-border remittances the consideration and priority they deserve as a significant global economic engine***. There has simply never been a greater need for innovation and technology that provides the on-the-ground financial support flowing instantly across borders.

A January 2021 Oxford Economics report, The Remittance Effect: A Lifeline for Developing Economies Through the Pandemic and Into Recovery, ***illustrates how remittances impact developing economies, both in the very short-term and in the longer-term, in a way that neither government aid nor private foreign direct investment can match***, given the larger value of remittances today.

These ***economic first responders selflessly act to quickly wire money into the hands of loved ones back home, stimulating spending on housing, medical care, and other essentials; boosting savings, improving creditworthiness and funding investments; and supporting economic and financial stability*** – all of which promote economic growth. As Oxford Economics says, the "remittance multiplier effect" boosts local economic activity and ultimately GDP.

In the last several years, ***remittances overtook Foreign Direct Investment (FDI) as the largest external capital source in developing economies***. The forecast for global FDI flows is bleak, with the United Nations Conference on Trade and Development (UNCTAD) having forecast that these flows contracted by up to 40% in 2020.

A strikingly honest take from the World Economic Forum, or at least, a look into how they view things. Sending large amounts of money out of the 1st World isn't undermining the West, rather "Economic First Responders" are doing their part to save the planet.

It also underscores their agenda. WEF views remittances as a more effective way of doing wealth transfers to other nations. It doesn't provoke the same backlash as foreign aid does.

These "global leaders" don't want countries or nations. They want economic zones where employees and production can be shifted around.

World's top remittance-sending nations have experienced stricter COVID-19 lockdowns

Sending country	Remittances sent in 2018 (in billions of U.S. dollars)	Days under stay-at-home orders or work restrictions*	Average workplace mobility decline (%)**
United States	$159	67	-29
Saudi Arabia	43	73	-32
UAE	42	57	-29
United Kingdom	31	68	-41
Canada	28	63	-36
Germany	28	57	-25
France	22	70	-43
Russia	21	82	–
Australia	20	53	-18
Italy	19	81	-45
Top 10 average	41	67	-33
Global average	3	57	-26

* Government restrictions data is as of May 28, 2020, the date it was accessed.
** Workplace mobility data compares each country's daily mobility rates between Feb. 15

Pew Research estimated that Canada sent some $28 million USD (about $33 million CDN) abroad in the year 2018. The United States sent about $159 billion. Under the guise of "pandemic management" Canada had already experienced 63 days of business closures — keeping in mind, this article was written in June 2020. It's actually much higher now.

One would expect remittances to plummet as businesses closed, many for good. But in the end, the overall drop in remittances was pretty insignificant. So, where did they come from? How much CERB, or other relief, was simply sent abroad?

Unfortunately, too many politicians want to look good in the eyes of the world, instead of serving their own people? Here's a great example of this sort of mindset. Since most readers are probably blocked, these are some of the tweets that are important.

Michelle Rempel Garner
@MichelleRempel
We don't pay $36 for a bag of apples because we pay the bare minimum to imported labour who live in temporary accommodations, work long days, don't see their families for months, and have no path to citizenship. That's just a taboo reality we're cool with.
Savageof67 @savageof67 · Apr 1
Replying to @MichelleRempel
Sure...$36 for a bag of apples seems reasonable.
7:42 PM · Apr 1, 2020 · Twitter for iPhone

Michelle Rempel Garner @MichelleRempel · Apr 1

Not to discount experienced workers, but historically a lot of Cdns simply haven't wanted to do this work. We're in a new reality so I'll say it....if it's not possible to bring in workers, maybe we can now somehow get Canadians to step up to the plate?

Michelle Rempel Garner
@MichelleRempel

This is also true. It's an issue when their labour isn't available, as is the case right now.

> **a real one** @100001b · Apr 1
> Replying to @MichelleRempel
> It's not really taboo. Those workers have chosen to do that work, and often can send money back to their families where USD or CAD goes a lot farther.

7:48 PM · Apr 1, 2020 · Twitter for iPhone

Michelle Rempel Garner
@MichelleRempel
Look into who picks your mushrooms and under what circumstances they do so. This isn't a popular SJW issue because no one wants to pay $18.50 for a pound of mushrooms, and Canadians don't want to pick mushrooms for the going rate of labour that yeilds a $3.75 pound of mushrooms.
Tod Martens @TodMartens3 · Apr 1
Replying to @MichelleRempel
How do we have a caste system and how is it bad to want lower prices?

https://twitter.com/MichelleRempel/status/1245542206624145409
https://twitter.com/MichelleRempel/status/1245537455660503040
https://twitter.com/MichelleRempel/status/1245543250062082054
https://twitter.com/MichelleRempel/status/1245543543877308421

Don’t worry. There will always be Canada-last politicians like Michelle Rempel-Garner in power. She’s fully aware that our programs are used to drive down wages, and to send money abroad (where it will go much further), and she STILL supports it. Seems that the focus is on growing OTHER economies.

Wages work in a supply-and-demand fashion. A low supply of workers will push up the demand, which are salaries. However, when there is a surplus of that supply of workers, it pushes down the demand, as people will work for less.

Of course, it’s much cheaper to feed a family in Guatemala than it is in Canada, even with the fees associated with sending remittances. Such people can afford to work for less. It creates a race to the bottom where most people lose in the end.

Happy International Day for Family Remittances everyone! Go be an Economic First Responder, and send some money abroad.

(1) https://www.youtube.com/watch?v=Lj6Hki3bAvk
(2) https://www.youtube.com/channel/UCTPDxhZ5d8nZgZFLTITA5LA

(3) https://www.knomad.org/publication/migration-and-development-brief-34
(4) https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history
(5) https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data
(6) https://twitter.com/UNmigration
(7) https://twitter.com/IOMAsiaPacific/status/1405031130043060235
(8) https://www.iom.int/sites/default/files/remittance_inflow_trends_snapshot_web-compressed.pdf
(9) https://www.weforum.org/agenda/2021/01/remittances-key-post-covid-recovery/
(10) https://www.worldbank.org/en/news/press-release/2014/04/11/remittances-developing-countries-deportations-migrant-workers-wb
(11) https://www.worldbank.org/en/news/press-release/2016/04/13/remittances-to-developing-countries-edge-up-slightly-in-2015
(12) href="https://www.worldbank.org/en/news/press-release/2017/04/21/remittances-to-developing-countries-decline-for-second-consecutive-year
(13) https://www.pewresearch.org/fact-tank/2020/06/22/sharp-decline-in-remittances-expected-in-2020-amid-covid-19-lockdowns-in-top-sending-nations/
(14) https://www.worldbank.org/en/news/press-release/2018/04/23/record-high-remittances-to-low-and-middle-income-countries-in-2017
(15) https://www.worldbank.org/en/news/press-release/2018/12/08/accelerated-remittances-growth-to-low-and-middle-income-countries-in-2018
(16) https://blogs.worldbank.org/psd/remittances-times-coronavirus-keep-them-flowing
(17) https://www.weforum.org/agenda/2020/07/remittances-decline-covid-19-migrants-low-income-economies/
(18) https://www.worldbank.org/en/news/press-release/2021/05/12/defying-predictions-remittance-flows-remain-strong-during-covid-19-crisis
(19) https://www.nycaribnews.com/articles/world-bank-remittance-flows-remained-resilient-in-2020/
(20) https://www.statista.com/chart/20166/top-10-remittance-receiving-countries/
(21) https://canucklaw.ca/imm-5b-global-remittances-hidden-costs-of-immigration/

CANADA, FREE TRADE, GLOBALISM, IMMIGRATION (CANADA), NGO/CS

One Reply to “Remittances Remain High, Even As Unemployment Rates Soared In 2020”

Eddy Canuck

JUNE 16, 2021 AT 12:22 PM

How is this women a Conservative? She even has “preferred pronouns” and I recall she supported fundraiser for Tranny Activist and BC NDP Party VP Morgane Oger.

Rempel is a Calgary MP so why support the opposition in a different Province?